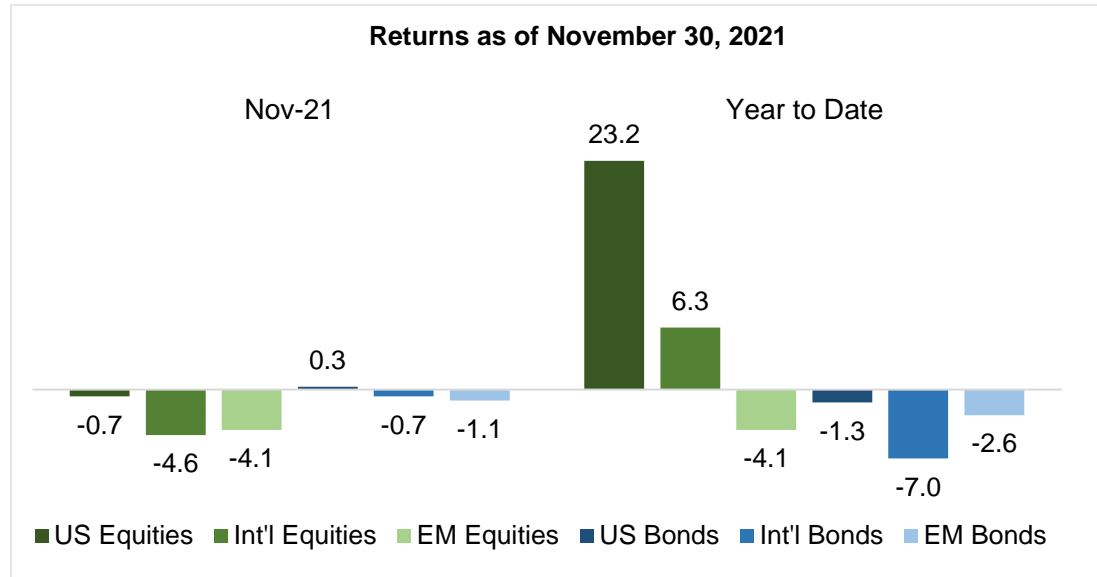


MONTHLY
Market Review



Market Review



Source: FactSet financial data and analytics

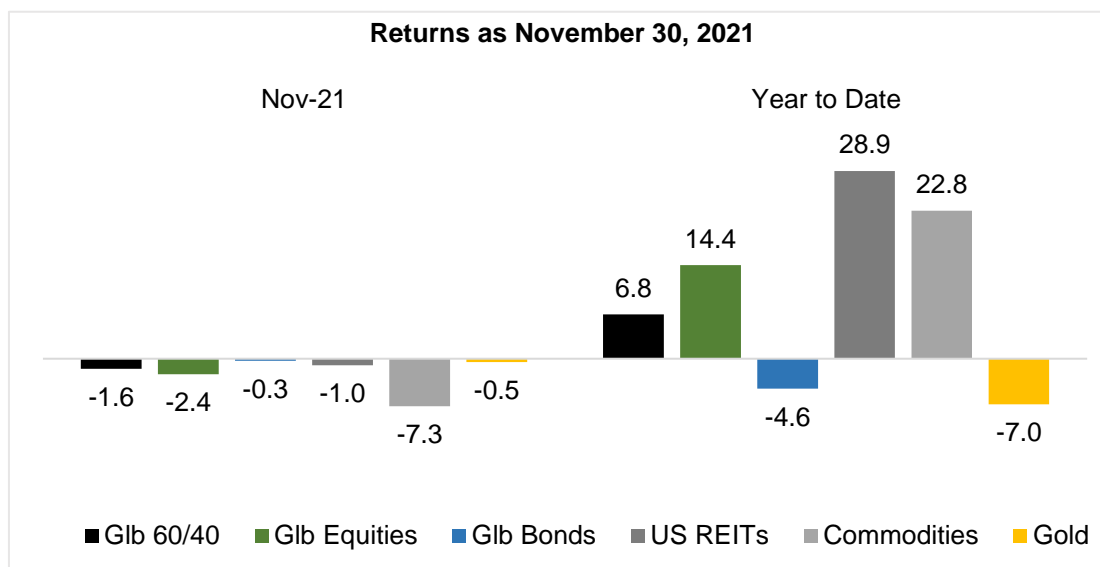
The equity markets declined in November over concerns of the new Covid-19 variant, Omicron. US equities, though negative, outperformed both developed international (-4.6%) and emerging markets (-4.1%). Developed international equity markets were hardest hit due to a stronger dollar and renewed restrictions in Eurozone.

Within US sectors, Technology was the best performing sector over the month, rising 4.3%. Consumer Discretionary also rose by 2.0% due to strong October US retails sales¹. Financials and Communication Services were hit the hardest in October, returning -5.7% and -5.2% respectively. Financials, namely bank stocks which benefit from higher interest rates, were hurt as Treasury yields fell in November².

The US bond market eked out positive gains of 0.3% in November. Long Treasuries and Treasury Inflation Protected Securities (TIPS) were the top contributors during the month returning 2.7% and 0.9% as investors flocked to safety and US inflation as measured by Consumer Price Index (CPI) jumped to 6.2%³ year over year, its highest reading in 31 years. Higher risk bonds like US High Yield and emerging market bonds were down for the month.

The commodity index declined by 7.3% during the month led by sharp fall in energy prices (-17.1%). Despite higher inflation fears, gold reversed course and fell -0.5% as the US Dollar rose by 1.8% in November. US REITs returned -1.0% for the month, with hotels (-8.7%) being the largest detractor.

Relative to a globally balanced (60/40) equity/bond index, allocations to global bonds, US REITs and gold helped while global equities and commodities hurt for the month.



DEFINITIONS

Asset Class	Index	Definition
US Equity	S&P 500	measures the performance of 500 leading companies in the U.S. Constituents generally have a market-cap above \$5 billion and represent approximately 80% of the investable market.
Global Equity	MSCI ACWI	measures large- and mid-cap equity performance of developed and emerging markets. Represents approximately 85% of the global equity investment universe.
International Developed Equity	MSCI EAFE	measures the equity performance of countries considered to represent developed markets, excluding the U.S. and Canada.
Emerging Markets (EM) Equity	MSCI Emerging Markets	measures the equity market performance of countries considered to represent emerging markets.
US Equity	Nasdaq 100	measures companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology.
Sector – Real Estate	S&P 500 Sector Real Estate	measures the performance of companies from the following industries: real estate management & development and REITS, excluding mortgage REITS.
Sector–Energy	S&P 500 Sector Energy	measures the performance of companies involved in the development and production of crude oil, natural gas and provide drilling and other energy-related services.
Sector - Communications Services	S&P 500 Sector Communication Services	measures the performance of companies from the media, retailing, and software & services industries in the U.S

Global Fixed Income	Bloomberg Global Aggregate	measures the performance of global, investment-grade debt from 24 local currency markets. This benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.
US Fixed Income	Bloomberg US Aggregate	measures the performance of USD-denominated, investment-grade, fixed-rate taxable bond market of SEC-registered securities. The index includes Treasury bonds, Government-related Corporate, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS sectors.
US Long Treasuries	Bloomberg US Treasury Long	measures the performance of long-term US Treasury bonds, including all publicly issued securities that have a remaining maturity of ten or more years, are: non-convertible, denominated in US dollars, rated investment-grade, fixed-rate and have \$250 or more of outstanding face value.
US Treasury Inflation Protected Securities	Bloomberg US TIPS	measures the performance of inflation-protected securities issued by the US Treasury.
US High Yield	Bloomberg Barclays US Corporate High Yield	measures the performance of USD-denominated, non-investment-grade, fixed-rate taxable corporate bonds. "High-yield" securities have the middle rating from Moody's, Fitch or S&P of Ba1/BB+/BB+ or below. Index excludes emerging market debt.
International Fixed Income	Bloomberg Global Aggregate ex-USD	measures the performance of investment-grade debt from 24 local currency markets. This multi-currency index includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. It excludes bonds issued in USD.
Commodities	Bloomberg Commodity	measures the performance of a broadly diversified exposure to physical commodities via futures contracts.
Gold	Bloomberg Sub Gold	measures the performance of futures contract on Gold and is quoted in USD.
US REIT	FTSE NAREIT All Equity REITs	measures the performance of a comprehensive family of REIT indexes that spans the commercial real estate space across the US economy. The index series provides investors with exposure to all investment and property sectors.
Sector - Consumer Discretionary	S&P 500 Sector Consumer Discretionary	measures the performance of companies involved in industries such as: automobiles and components, consumer durables, apparel, hotels, restaurants, leisure, media and retailing.
Sector – Financials	S&P 500 Sector Financials	measures the performance of companies in an array of diversified financial service firms, insurance, banks, capital markets, consumer finance and thrift companies.
Sector - Technology	S&P 500 Sector Technology	measures the performance of companies involved in technology hardware, storage and peripherals, software, communications equipment, semiconductors and semiconductor equipment, internet software and services, IT services, electronic equipment, instruments and components.
US Dollar	US Dollar Index	measures the value of the US dollar relative to the value of a 'basket' of currencies of the majority of the U.S.'s most significant trading partners. Factors the exchange rates of six major world currencies: euro, Japanese yen, Canadian dollar, British pound, Swedish krona and Swiss franc.

¹ [Monthly markets review - November 2021 - Schroders global - Schroders](#)

² [COVID fears weigh on Dow, S&P 500; Nasdaq hits record high | Reuters](#)

³ <https://www.bls.gov/news.release/pdf/cpi.pdf>

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Investments in equities, bonds, options, and other securities, whether held individually or through mutual funds and exchange traded funds, can decline significantly in response to adverse market conditions, company-specific events, changes in exchange rates, and domestic, international, economic, and political developments.

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